

NEWS RELEASE

For Immediate Release**Otsuka Medical Device Enters Endoscopic Field by Acquiring Stake in Italy's Era Endoscopy S.r.l., An Innovator in Self-propelled Robotic Colonoscopy**

Tokyo, December 26, 2011 – Otsuka Medical Devices, Co., Ltd. (“OMD”), a wholly-owned subsidiary of Otsuka Holdings Co., Ltd., announced today that it has acquired a stake in Era Endoscopy S.r.l. (“Era”), obtaining 24.73% of Era’s total outstanding shares. In addition, OMD has signed business collaboration agreements for commercialization of Endotics® Colonoscopy System (the “Endotics System”), an endoscopic system with an entirely disposable self-propelling robotic colonoscope.

Under the collaboration agreements, OMD will exclusively manufacture and distribute the Endotics System in Japan and also have the first negotiation rights to commercialize this product worldwide (except Italy). By adding Endotics System to its portfolio, OMD intends to strengthen its business in the field of gastroenterology, and aims to expand it in and outside of Japan, with a primary focus on Asia.

Era is a medical device company focused on discovery, development, manufacturing and commercialization of innovative medical devices. The company was established by a group of researchers from the Sant’Anna School of Advanced Studies of Pisa with a long, proven track record in the field of robotic endoscopy. The company’s first and revolutionary product, the Endotics System, is an entirely disposable, self-propelling, robotic colonoscope designed to deliver the safest, most comfortable medical probe in a cost-effective manner. With this probe, the patients feel less pain than the conventional colonoscopic procedure.

Hiroshi Shirafuji, President and Representative Director of OMD, said, “We expect that Era’s innovative robotic colonoscopy will increase screening opportunities for colorectal cancer because it is a more convenient diagnostic tool.”

Giuliano Gorini, Managing Director of Era, remarked, “We are extremely pleased to begin the collaboration with the Otsuka Group, a leading worldwide healthcare company that aims to expand in the area of medical devices. The two firms share the same mission: to develop medical devices that help to improve quality of life of patients using a new technology. The agreement with Otsuka will allow us to bring a less invasive and safer system of robotic colonoscopy to a wider range of patients around the world.”

OMD manages the Otsuka Group’s medical devices business. Through research, development and commercialization of medical device products that satisfy unmet medical needs, the company strives to help improve the health of people around the world on the basis of the corporate philosophy of “Otsuka-people creating new products for better health worldwide.”

Company Profile

Era Endoscopy S.r.l.

Established: March 29, 2004
Capital: €26,572
President: Giuliano Gorini, Managing Director
Head Office: via Boccioni, 1, 56037 Peccioli, Pisa, Italy
Business Description: Research, development, manufacture, and marketing of medical devices
Web Site: www.endotics.com

Otsuka Medical Devices Co., Ltd.

Established: February 15, 2011
Capital: ¥2 billion
President: Hiroshi Shirafuji, President and Representative Director
Head Office: 2-9, Kanda-Tsukasa-cho, Chiyoda-ku, Tokyo 101-0048 Japan
Business Description: Integration of all business activities directly and indirectly related to the Otsuka Group's medical device business
Web Site: <http://www.otsuka.com/en/> (Otsuka Holdings)

Product Summary

Endotics® Colonoscopy System :

The Endotics System (see the image below) is an endoscopic device which moves autonomously in the gastro-intestinal tract in a prefixed direction of forward locomotion through repeated extension and contraction. This particular method of locomotion allows the probe to adapt itself to the dynamic curves and bends of the colon; this self-conformation feature minimizes the unnatural deformation of the colon inherent in conventional colonoscopy.

The design of the robot aims to offer a disposable, totally pneumatically driven, very soft and flexible device. This feature is expected to reduce patients' fear of pain and risks (infection and perforation). Physicians also appreciate the merits of the system, such as reducing the time it takes to become proficient in colonoscopy and eliminating the sterilization cost and workload.

Endotics Colonoscopy System

